GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:300
ANSWERED ON:24.07.2001
TUNGABHADRA STEEL PRODUCTS LTD.
SADASHIVRAO DADOBA MANDLIK

Will the Minister of STEEL be pleased to state:

(a) whether the Government propose to divest their stake in Tungabhadra Steel Products Ltd;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government have any policy to move away from the manufacturing business; and

(d) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): Tungabhadra Steel Products Ltd. (TSPL) is a subsidiary of Bharat Yantra Nigam Limited, which is a wholly owned Central Public Sector Undertaking. Based on the detailed analysis carried out by the Ministry of Industry (Deptt. of Heavy Industry) in Dec. 1996, the Government accorded approval in principle for disinvestment in TSPL on 30.1.1997 for the purpose of infusing capital, technology and new management techniques. The disinvestment is to be carried through Joint Venture by offering equity stake up to 74% alongwith transfer of management control. Expressions of interest from prospective joint venture partners have been received. The process has not yet been completed.

(c)&(d): The declared policy of the Government is that the Government will, in generality of the cases, bring down its equity to 26% or below in all Public Sector Undertakings operating in non-strategic areas. TSPL is operating in the non-strategic area, it is slated for disinvestment.